

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 1964 - SB 2031

March 17, 2011

SUMMARY OF BILL: Defines “consumer contract,” “contract,” and “late fee,” for the purposes of the Tennessee Consumer Protection Act. Authorizes contracting parties to include a late fee payment clause for failure to make a timely payment. Requires a contract to disclose the amount, conditions, and timing for imposing a late fee. Creates specified limitations on late fees. Prohibits a late fee from being imposed until 15 days after the date the bill was rendered for the provided goods or services. Prohibits a late fee from being imposed until 15 days after payment is due if a bill is not rendered. Adds as a violation of the Consumer Protection Act, a Class B misdemeanor, the imposition of improper late fees under such contracts.

ESTIMATED FISCAL IMPACT:

NOT SIGNIFICANT

Assumptions:

- According to the Department of Commerce and Insurance, the bill creates an additional specific ground for which the Division of Consumer Affairs will be required to receive, investigate, and mediate consumer complaints.
- Based upon information provided by the Department, the increase in investigations and complaints is anticipated to be not significant. Any cost can be accommodated within existing resources without an increased appropriation or reduced reversion.
- A small increase in cases in the court system, which will result in additional state and local government expenditures for processing the cases and additional state and local government revenue from fees, taxes, and costs collected. These expenditures and revenue are estimated to be not significant.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink, reading "James W. White".

James W. White, Executive Director

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